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Message Text

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44
ACTION EB-11

INFO OCT-01 EUR-25 IO-14 ISO-00 AGR-20 CEA-02 CIAE-00

COME-00 DODE-00 FRB-02 H-03 INR-10 INT-08 L-03 LAB-06

NSAE-00 NSC-10 PA-04 RSC-01 AID-20 CIEP-02 SS-20

STR-08 TAR-02 TRSE-00 USIA-15 PRS-01 SPC-03 OMB-01

DRC-01 /193 W
---------- 042973
P R 191141Z DEC 73
FM AMEMBASSY MADRID
TO SECSTATE WASHDC PRIORITY 7593
INFO USMISSION GENEVA
USEC BRUSSELS 0746

C O N F I D E N T I A L MADRID 7528

E.O. 11652: GDS
TAGS: EAGR, ETRD, SP
SUBJECT: SOYBEANS: VARIABLE LEVY/"REBATE" SYSTEM

REF STATE 244333; MADRID 7482

1. EMBOFF PROVIDED FINANCE MINISTRY UNDER SECRETARY FERNANDEZ ORDONEZ WITH COPY OF NOTE CONTAINED DEPT REFTEL AND PREVIOUSLY DELIVERED FONOFF (SEE EMB REFTEL). VARIOUS SUPPORTING POINTS MADE ORALLY.

2. IT OBVIOUS THAT UNDER SECRETARY STILL NOT CLEAR ON AMOUNT OF LOSS INCURRED IN SOYBEAN OPERATIONS WHICH GOS STRIVING TO RECOUP VIA VARIABLE LEVY "REBATE" SYSTEM. IT WAS SUGGESTED TO HIM THAT IT COULD BE A GOOD DEAL LESS THAN THE 9 BILLION PESETAS (160 MILLION DOLLARS) HE CITED AS HIS GENERAL IMPRESSION OF THE AMOUNT INVOLVED, AND THEREFORE COULD BE MORE READILY ABSORBABLE IN THE BUDGET. HE REPLIED THAT IN ANY CASE THERE WAS JUST NO MONEY IN THE BUDGET TO COVER THE LOSS, REGARDLESS OF THE AMOUNT.
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3. THE EVENING OF DECEMBER 18 FERNANDEZ ORDONEZ WAS
CHAIRING A MEETING WITH THE UNDER SECRETARIES OF THE
OTHER ECONOMIC MINISTRIES FOR THE PURPOSE OF REVIEWING
AND FIXING AGRICULTURAL PRICES FOR 1974. AS THE
EMBASSY APPROACH WAS MADE PRIOR TO THE MEETING HE
INDICATED THAT THE SOYBEAN PROBLEM AND OUR REPRESENTATIONS
WOULD UNDOUBTEDLY BE DISCUSSED. HE PROMISED TO REPORT
BACK ANY ADDITIONAL DEVELOPMENTS.

4. A HIGH-LEVEL GOS OFFICIAL ATTRIBUTES, AT LEAST IN PART, THE
MESS SURROUNDING THIS ISSUE TO THE INEPTITUDEOF
MINISTER OF COMMERCE COTORRUELO WHO APPARENTLY IN HIS
CURRENT POSITION WAS RESPONSIBLE FOR THE DECISION TO
ESTABLISH THE VARIABLE LEVY FOR SOYBEAN AND SOYBEAN MEAL
IMPORTS. IT ALSO SEEMS THAT COTORRUELO PLAYED A ROLE EARLIER
IN THE YEAR IN THE IMPORT AND PRICE DECISIONS
ON SOYBEANS AND SOYBEAN MEAL IN HIS CAPACITY AT THAT TIME AS HEAD
OF FORPPA (FARM COMMODITY AND PRICE STABILIZATION AGENCY). HE
THEREFORE MAY HAVE A PARTICULARLY VESTED INTEREST IN SEEING
THAT AS MUCH AS POSSIBLE OF HIS GOVERNMENT'S LOSS IS RECOUPED.
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Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
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Control Number: n/a
Copy: SINGLE
Draft Date: 19 DEC 1973
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: morefirh
Disposition Case Number: n/a
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Disposition Date: 28 MAY 2004
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Disposition History: n/a
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Disposition Remarks:
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Enclosure: n/a
Executive Order: GS
Errors: N/A
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ISecure: 1
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